



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

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## **Japan**

### **Solid Wood Products**

# **Japanese Plywood Industry - Softwood is "In" and Hardwood is "Out"**

## **2000**

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#### **Report Highlights:**

**Japan's plywood industry continues a manufacturing strategy of converting from tropical hardwood to softwood, thus posing a serious challenge to the export strategies of Japan's traditional hardwood suppliers, Indonesia and Malaysia. In 1999, softwood accounted for a 42% share of total plywood production, up 5% from the previous year.**

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Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Tokyo [JA1], JA

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#### **Executive Summary**

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Japanese softwood plywood production in 1999 totaled 1,355,000 cubic meters, up 12.3 % from previous year, for the first year-on-year growth in 3 years. Softwood log consumption by plywood manufacturers also grew 22.7 % from the previous year to 1,992,000 cubic meters. The industry's consumption of softwood veneers for plywood production, both imported and domestically sliced, declined 15.6 %. Thus, the softwood share in Japan's total plywood production in 1999 grew 5.0 points from 1998 to 41.5 % in 1999.

The growing share of softwood used in plywood productions is due to the industry's intense campaign to convert species from tropical hardwood to softwood species for plywood production. This strategy reflects a shift in strategic marketing interests away from traditional tropical hardwood exporters such as Indonesia and Malaysia, countries which have supplied tropical hardwood logs and plywood to the Japanese market for decades.

Industry statistics for 1999 and estimates for softwood raw material consumption and plywood production in 2000 are shown in the table below.

<b>Softwood Plywood Production</b>				
Year	1999 (Actual)		2000 (Estimates)	
Vol./ % Change	000 m3	% Change 1/	000 m3	% Change 1/
All softwood in lay-up	1,002	+22.8 %	1,177	+17.5 %
Partial softwood in lay-up	354	-9.5 %	292	-17.5 %
<b>Softwood Plywood Total:</b>	1,356	+12.3 %	1,469	+8.4 %
<b>Softwood Raw Material Consumption for Plywood Production</b>				
Logs from: Russia	1,418	+27.9 %	1,774	+25.1 %
N.Z. / Chile	406	+5.6 %	449	+10.7 %
Africa	107	+54.4 %	111	+4.5 %
Japan domestic	61	+51.4 %	59	-2.0 %
<b>Softwood Logs Total:</b>	1,992	+22.7 %	2,393	+20.2 %
Imported Veneers	18	-43.2 %	20	+12.0 %
Domestically sliced veneers	96	-7.1 %	94	-2.8 %
<b>Veneers Total:</b>	114	-15.6 %	114	-0.5 %
<b>SW. Raw Material Total:</b>	2,106	+24.8 %	2,507	+19.1 %

(Source: Japan Plywood Industry Federation )  
1/ % changes from previous year.